



FOR IMMEDIATE RELEASE
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MAYOR JERRY SANDERS

FACT SHEET

CITY PROGRAM THAT CREATES JOBS AND GROWS BUSINESS INVESTMENT TO CONTINUE

Regional Enterprise Zone receives final designation

The City of San Diego has won state approval to continue operating a highly-successful regional economic incentive program that has created thousands of jobs and helped retain businesses.

In an effort to ensure that business expansion, attraction, and retention efforts continue to grow in San Diego, the San Diego Regional Enterprise Zone (SDREZ), a regional collaboration between the cities of San Diego, Chula Vista, National City and the Unified Port of San Diego, received final designation from the State's Housing and Community Development Department (HCD) on April 3, 2012.

"This is great news for the City of San Diego and the entire region," said Sanders. "Enterprise zones provide incentives to businesses to invest in economically distressed areas and to hire traditionally hard to employ residents."

Businesses that operate in an enterprise zone can claim state tax credits for wages paid to employees as well as for purchasing certain manufacturing, data processing, and communications equipment.

The SDREZ was granted conditional designation in 2007, and, businesses located within the SDREZ have been able to take advantage of the program while final designation was still pending.

- Since 2007, more than 1,000 zone businesses have hired or retained over 25,900 local workers paying them an average wage approximately 40% higher than California's minimum wage.
- Nearly 12% of the employees hired or retained during this same period were veterans, public-assistance recipients, ex-offenders, dislocated workers, and/or economically disadvantaged individuals.

- 87% or more of the employees hired reside in a targeted employment area defined as those census tracts designated by the U.S. Department of Housing and Urban Development as having at least fifty-one percent of its residents of low or moderate income levels.

“The enterprise zone program is one of the few economic tools we have to use to compete with states like Texas with low tax rates that also dangle numerous incentives in front of businesses to lure them to their state,” added Sanders.

HCD’s action signifies that the SDREZ has satisfied all conditions required by the state and that the designation of the zone’s application area as an enterprise zone is final and complete. The effective date of the SDREZ is retro-active to October 15, 2006 and expires on October 14, 2021.

The regional program is administered by the Mayor’s office of Economic Growth Services. The staff provides businesses and consultants with free technical assistance and consultation regarding enterprise zone eligibility requirements and guidelines.

Information on the San Diego Regional Enterprise Zone program is available on the City’s website at <http://www.sandiego.gov/economic-development/industry/enterprisezones.shtml> or by contacting Lydia Moreno, Business Incentives Program Manager, at (619) 236-6320.

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